

# Small-Town VALUES

BRENNER RECYCLING HAS REMAINED SMALL THROUGHOUT ITS 89 YEARS, BUT THE COMPANY AND THE BRENNER FAMILY HAVE A BIG REPUTATION FOR SERVICE AND INTEGRITY.

BY KENT KISER

**H**azleton, Pa., was a thriving coal and textile town in the early 1920s, when Maurice Brenner decided to seek his future there. Brenner, who had emigrated from Eastern Europe in the early 1900s, had been working as a railroad conductor in New York. Like many immigrants before and since, however, he wanted to go into business for himself, and Hazleton seemed like the place to do it. In 1925, the 35-year-old Brenner established an auto salvage yard—M.H. Brenner’s—about six blocks from the center of town. His family—wife Rebecca and children Adele, Phyllis, Myron, and Joseph—lived in a house adjacent to the 2-acre scrapyards. Slowly and steadily, the family and its recycling enterprise built their reputations in the community.

That company—now named Brenner Recycling—started out small, and it proudly remains small 89 years later. The original yard is now just slightly larger, about 3 acres, and the company has just 20 employees. What has grown, however, is its stature. Today it is a respected, third-generation business in Hazleton and beyond, and the Brenner family is recognized for its service to the community and industry.

## A FAMILY BUSINESS HISTORY

When Maurice Brenner entered the scrap business, he unwittingly set the career course for the next two generations of Brennens: his sons Myron and Joseph, and Joseph’s sons Paul and Leonard, who lead the company today as president and secretary/treasurer, respectively. In the early years, Maurice, Myron, Joseph, and Adele’s husband, Milt, worked side by side. Members of the third generation—Paul and Leonard, who goes by “Lenny”—began their scrap education as kids in the late 1950s and 1960s. Joseph assumed leadership of M.H. Brenner’s when Maurice died in 1963, and Lenny

joined the company full time in 1972. In the same period, the family bought out Milt’s share of the business. After Paul graduated from Syracuse University in 1976 with a bachelor’s degree in management, he filled Milt’s place in the company. “I graduated from Syracuse on Saturday and was baling painted siding on Monday,” he says.

The company’s operations were modest back then, Paul says. Its main processing machine was a 300-ton Richards Iron Shark stationary shear, installed in 1968, which it replaced in 1978 with a larger Logemann 800-ton shear. It also processed nonferrous metal using upstroke balers, which workers loaded by hand. “At that time, a big production day was perhaps four bales,” Paul says. The yard was unpaved, and the company moved material using lattice-boom cable cranes. Paul and Lenny—the new generation—thought M.H. Brenner’s was ripe for improvement, but the older generation was happy with the status quo.

In 1980, Paul left the company due to conflicts with his uncle Myron, he says. He moved to Philadelphia to work for U.S. Pipe, a manufacturer of ductile iron pipe. After a few months there, the mill workers went on strike, giving Paul the opportunity to work in the plant doing everything from skimming slag to running a mini locomotive. Next, he accepted a job as a scrap broker in the Philadelphia office of The Mindlin Co. (Pittsburgh). Those two positions gave him experience that complemented his scrap processing background, he says. “I got to do everything you can do in the scrap business: I worked in a yard, I worked in a mill, and I was a broker. I learned the perspective of why those different sectors do what they do.”

In late 1982, Paul’s father asked him to come back to M.H. Brenner’s, and he agreed—but only if his uncle left the company. The family bought out Myron’s share, and Paul returned to run the



**Paul Brenner oversees Brenner Recycling's operations as president and serves in numerous positions for community and industry organizations.**

company with his father and brother. As Joseph started scaling back his role in the early 1990s, Paul took over the day-to-day leadership and finally could make the changes envisioned years earlier. "In the past 20 years, we've done some interesting stuff here," Paul says. "We've reinvested in this company completely."

One of the first changes was the company's name. The name M.H. Brenner's did not describe the company's business focus, Paul explains, so in 1991 he changed it to Brenner Recycling. "Overnight, we went from being the junkyard in town to a recycling company," without making a single change in operations, he says. This rebranding also generated a new corporate logo—a lowercase "B" made of arrows to suggest recycling—and slogan, "Conserving the future by recycling the past."

The next goal was upgrading the equipment. When the company built a new 9,000-square-foot

warehouse and installed a Mosley Gorilla horizontal baler in 1997, it could finally retire its upstroke balers. In the profitable "supercycle" years of 2003 to 2008, the company made further investments and improvements, which included buying two Liebherr material handlers and a Doosan crane with a Genesis mobile shear. (In 2012, the company replaced the Doosan crane and shear with a larger Link-Belt crane and Genesis 990 mobile shear.) Brenner Recycling also replaced its fleet of framed dump trailers with new frameless trailers, hard-surfaced a large portion of its yard, and put 2,000 tons of packed gravel throughout the remainder. In addition, it purchased a new 72-foot-long truck scale—complete with radiation detectors—and moved it to a new location in the yard to improve traffic flow and efficiency.

One other improvement was a seriously dirty job. Brenner Recycling's yard had a pile of dirt



Scrap metal is about 95 percent of Brenner Recycling's volume—75 percent ferrous (such as the bushing and plate at left and center) and 20 percent nonferrous (such as the brass turnings at right). The company serves over-the-scale suppliers as well as commercial and industrial customers, with about 200 containers in the field.

that had accumulated over three generations. That pile not only occupied much-needed space in the yard, but it also contained recoverable metal. Paul and Lenny bought a screening machine to process the pile, creating separate streams of dirt, ferrous, and nonferrous metals. From 2012 to 2013, the company recovered from that pile 600 tons of ferrous, 6,000 pounds of aluminum, and 2,000 pounds of copper, and it shipped 1,100 tons of dirt to the local landfill. It also shipped 1,000 tons of dirt and nonferrous to a shredder to recover the metal. The company has an additional 500 tons of dirt and nonferrous to ship to a shredder this year and 400 tons of dirt to landfill. "Then we're going to be clean," Paul states.

In recent years, the company also has gradually expanded its commodity roster beyond its traditional focus on ferrous and nonferrous metals. Hazleton has moved beyond its coal and textile roots to become a major shipping distribution center. The city is near the intersection of Interstate 80—which crosses the country from San Francisco to the New York metropolitan area, passing through or near Salt Lake City, Des Moines, Chicago, Toledo, and Cleveland—and Interstate 81, which starts at the Canadian border and continues south to Tennessee. Distribution centers generate tons of old corrugated containers, which

is where Brenner Recycling saw new opportunities. It now accepts OCC, newspaper, magazines, and other grades of recovered fiber. Most recently, it began accepting end-of-life electronics, in part to explore that growing niche and in part to use it as a way to secure customers' other scrap streams.

Although Brenner Recycling has no plans to make additional significant changes in the near future, it always is seeking ways to be more efficient and more profitable. "There are only a couple of things you can do" about the latter, Paul says: "control your expenses and increase your volume. Our goals now are to increase our profitability, keep our employees safe, and continue serving our customers and community."

#### SAFETY AND SERVICE

Employee safety and service to customers and community—those are the priorities of Brenner Recycling and the Brenner family, Paul says. Three events have shaped the company's safety awareness. The first was a family tragedy: In 1975, one of Paul's cousins—who also worked in the Brenner family scrap business—died from an accident that occurred at an off-site location. But Brenner also experienced accidents in 1997 and 2003 that resulted in employees getting injured and not returning to work, instead living on their workers'

compensation payments. "I saw the system fail," Paul says. "The system took them out of the active work force, and that just bothered me."

Those events motivated Brenner Recycling to step up its safety game. The company formed a safety committee that meets twice a month, and it invites its workers' comp insurance representative to speak to the employees six times a year. All new yard employees and drivers must watch a series of ISRI safety videos before they're allowed to begin work. The company has undergone two ISRI Safety Blueprint reviews of its safety practices, and ISRI's transportation safety manager spent three days with its drivers. Thanks to these and other efforts, the company's workers' comp experience modifier has improved from more than 1.5 to less than 1. "We've made great strides here in trying to follow the best safety practices," Paul says. "You have to get your employees to believe in it, but you need the owners to promote it." He and Lenny certainly do that, even paying to have the ISRI safety slogan—"Safely or Not at All"—embroidered on the company's logo shirts and jackets.

Brenner Recycling is equally serious about customer service, which Paul says is one of its defining values, along with operating with integrity. The firm's business philosophy, he says, is, "Tell customers what you're going to do, then do what you told them. Our customers know what they're getting with us. It's very simple—we live up to our deals."

The Brenner family doesn't limit its



**Brenner Recycling uses a Genesis shear attachment (left) to process plate and structural scrap into 3-foot and 5-foot lengths. The company also torchcuts (center) plate steel and other material that's too thick or unwieldy for its mobile shear. Its other main piece of processing equipment is a Mosley Gorilla baler (right), which handles nonferrous and paper scrap.**

service focus to its business customers, it also tries to serve the wider community. In 2013, for example, after thieves stole bronze flag holders from veterans' graves in St. Ann's Cemetery in Hazle Township, Pa., the company pledged to contribute 10 cents for each pound of aluminum cans it received in September 2013 to help replace the holders. The total worked out to \$1,439.10, which the company rounded up to \$1,500 and gave to the Veterans of Foreign Wars Post 5010 (Freeland, Pa.), which maintains the veterans' graves in the cemetery.

Paul and Lenny individually are involved in numerous philanthropic and service groups. Lenny, for instance, is a member of the local Elks Club and Key Club, among others. Highlights of Paul's community service include Pathways to Recovery, a local nonprofit drug and alcohol counseling provider. He is currently chairman of that organization's board, a position he has held twice previously. A Rotary Club member since 1983, he has served as that group's president and as a director of the Hazleton Rotary Foundation. About 12 years ago, he developed a program for the Hazleton Rotary in which the

group gives a dictionary to every third grader in Hazleton. He also prompted the group to change its academic scholarship approach from giving a one-time \$1,000 scholarship to giving each recipient \$1,000 a year for four years. Paul was on the board of the local American Red Cross chapter for nine years and currently serves on its disaster team. (Since the 1970s, he also has donated more than 21 gallons of blood through the Red Cross.)

The company's—and the Brenner family's—service to the community was one reason the Hazleton Chamber of Commerce selected the company as its Small Business of the Year in 2011.

Paul also has a long record of service in industry trade associations, beginning with the Institute of Scrap Iron and Steel, one of ISRI's predecessor organizations. M.H. Brenner's was an ISIS member from the 1960s, but none of the family members participated in the association until Paul got involved in the late 1970s. His first leadership position in ISIS came in 1980, when he was elected secretary/treasurer of its Central Pennsylvania Chapter. His association service was interrupted from 1980 to 1982, when he worked away from the family

business, but he quickly resumed his involvement when he returned. After ISIS merged with the National Association of Recycling Industries to form ISRI in 1987, Paul started climbing the leadership ladder in ISRI's Mid-Atlantic Chapter, serving as president from 2001 to 2003. His ISRI involvement includes stints on the convention, operations, safety, and finance committees as well as being co-chair of the ISRI PAC Leadership Council. He currently is a board member of the Recycling Research Foundation, which supports recycling-related research projects and provides academic scholarships. With four children who serve in the military, Paul was the force behind RRF launching a scholarship program for veterans last year.

Currently, Paul is a nominee for a director-at-large position on ISRI's national board of directors, with the election scheduled for April 10. He has devoted so much time and effort to association service, he says, because the rewards are worth it in terms of knowledge and relationships. He also likes having a voice in association decisions. "If I can help forge my future by being involved in making the decisions, then all it can do is help," he says.

Paul has one more volunteer commitment to the scrap industry: He has been active in the National Association Supply Cooperative (New Philadelphia, Ohio) since the 1980s,



**Brenner Recycling equips its three material handlers—two Liebhers and one Link-Belt—with a shear attachment, grapple, and magnet, giving it flexibility to move and process ferrous scrap in the yard. Above, a handler loads No. 1 steel into one of the company's newer dump trailers.**

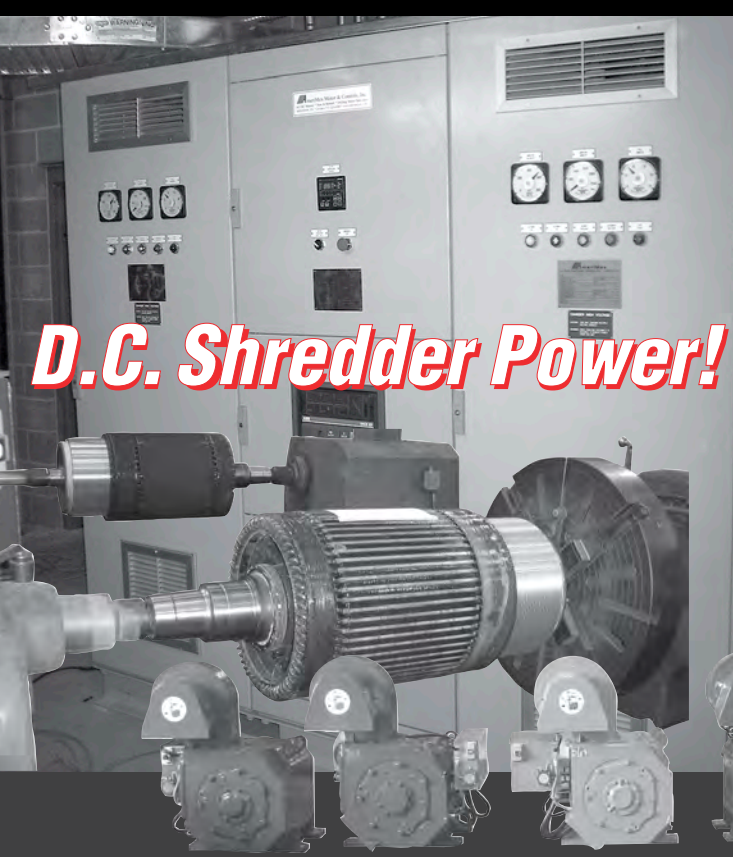
including serving as its chair from 2007 to 2009. He remains a member of the group's board. His proudest accomplishment in his NASCO-OP service has been pushing the organization to

buy property and build its own office and warehouse. The organization's original office in New Philadelphia was above a bank, and it had no warehouse space at all.

### **TRIALS AND TRIBULATIONS**

Although Brenner Recycling is proud to be a small company, it experienced setbacks along the way that limited its growth potential. For one, Paul explains, "we were bought and sold too many times." Buying out two family members—Myron and Milt—exhausted capital that otherwise could have been used to grow the business. The company also twice was the victim of embezzlement. The first time was in the late 1970s. When the office manager went on vacation, Paul determined that he had siphoned off several hundred thousand dollars over several years. Though the company prosecuted the man and was able to claim his house and car, "that incident set us back," Paul says. Brenner Recycling was a victim a second time in the 1990s, when its weighmaster—who

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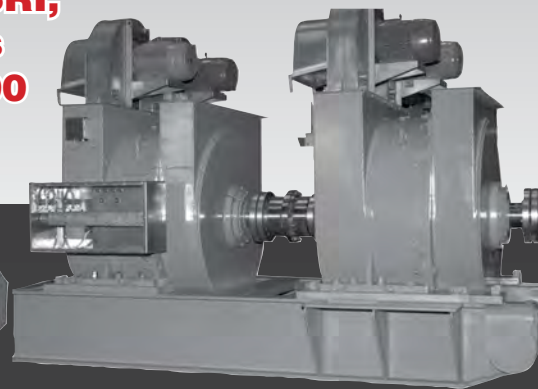
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also worked in the office—stole several hundred thousand dollars. The company was never able to prosecute that case. Taken together, the buyouts and internal fraud losses impeded the company's growth, Paul says. To prevent fraud problems from recurring, the firm installed an integrated computer system and video cameras around the facility, and it implemented a system of checks and balances within the office.

Brenner Recycling also has faced some serious market challenges along the way. The economic downturn in 2002 was particularly trying for the company, Paul says. It went so far as to have a bankruptcy attorney on retainer. "We had to just get through each day to see the sun rise the next day," he recalls. "It was a lot of hard work." Fortunately, the company



Brenner Recycling has branched out into scrap paper—such as corrugated, newspaper, and magazines (left)—to serve local customers, including distribution operations and commercial generators. It also collects but does not process electronic scrap—such as these central processing units—to "round out the business," Paul Brenner says.

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With no rail siding at its yard, Brenner Recycling moves its material by truck. The company's fleet includes two roll-off trucks, a load-lugger truck, four tractors, and seven dump trailers, along with vans and flatbeds.

forged an agreement with another scrap processor that gave Brenner Recycling an advance, which it paid back with scrap.

As with other recycling companies, Brenner Recycling faces daily, ongoing challenges such as protecting itself against buying stolen material. Hazleton has a "horrendous" drug problem, Paul says, so it's common for addicts to try to sell stolen materials to fund their habit. In one incident, the company reported a peddler who was trying to sell stolen scrap. The police impounded his truck, but he came back the next day on a bicycle with more scrap. To combat the theft epidemic, Brenner Recycling uses the latest technology to record purchases, including surveillance cameras at the scale and software that allows it to scan the driver's license of each

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**Lenny Brenner poses with a portrait of his grandparents, company founders Maurice and Rebecca Brenner. Lenny has worked in the family business 42 years, now focusing on scrap buying in his role as the company's secretary/treasurer.**

Sometimes they're here three times a week, and we always make our purchases an open record for them."

Brenner Recycling's biggest challenge going forward is succession. Paul, 59, and Lenny, 63, are approaching retirement age, but none of their adult children is interested in joining the company and neither brother is interested in buying out the other. "As a result of not continuing with a fourth generation, when the topic of retire-

ment starts coming to the top of the list, we'll be looking for a company to purchase our operation and continue

to serve the people and the industry of the greater Hazleton area," Paul says. The company was in talks with Upstate Shredding-Ben Weitsman (Owego, N.Y.) in 2011 to do just that, but the companies could not find mutually agreeable terms.

After that bump in the road, Brenner Recycling and the Brenner family simply returned to what they've done for almost nine decades—process scrap safely, with a focus on customer service and integrity, while serving their community and industry. "With a lot of hard work, three generations were able to build a nice life from our scrapyards," Paul says. "We're successful and have a good name in town and in the industry as a whole. We're proud of that." ■

*Kent Kiser is publisher of Scrap.*

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